

Meeting of the Early Years Working Group
Wednesday 1st July 2009
(3.00 pm, Training Room 5, Building 2 at NLBP)

<u>Attended</u>	Members:	Diana Rose (Kerem House, PVI Independent School)
		John Maxwell (Holly Park, Maintained Nursery Class)
		Liz Bartlett (Wingfield, Maintained Children's Centre)
		Perina Holness (Moss Hall, Maintained Nursery School)
		Sarah Vipond (Middlesex Uni, PVI Full Day Care)
		Sharon Lee (FRS, PVI Setting)
	LA Officers:	Carol Beckman (School Funding Manager)
		Diane Lewis (Early Years Inspector)
		Duncan Beckman (BRSI Project Support Officer)
		Jill Smith (Locality Development Officer, West Network)
		Sarah Hargreaves (Extended Services Development Manager)
		Sheila Abbott (Early Years and Extended Services Manager)
		Stav Yiannou (BRSI Manager)
		Stuart Gray (Principal Inspector, Chair)
		Zahid Parvez (Business Manager)
	Clerk:	Claire Gray (School Resources Support Officer)
	Observer Status:	Elizabeth Pearson (Schools Forum member)
		Lisa Horne (Barnet Pre-School Learning Alliance)
<u>Not Present</u>	Members:	Elaine Rosenthal (Playsafe, PVI Sessional)
		Anthea Aberly (Rosh Pinah, Maintained Nursery Class – Faith)
		Pauline Congdon (Little Acorns, PVI Sessional)
		Christine Read (All Saints N20, Maintained Nursery Class)
		Jodi Gurney (Schools Forum member)
		Julie Paice (Senior Childminding Co-Ordinator, LBB)
		Marina Economides (Bright Sparks Nursery, PVI Sessional)
1. Apologies for Absence.		
1.1	Apologies were received from Anthea Aberly and Jodi Gurney.	
2. Minutes of previous meeting – 6th May 2009.		
2.1	Agreed.	
3. Matters arising.		
3.1	Any matters arising are included in the agenda items.	

4. Operational update		
4.1	<p>SA provided members with an operational update (see Appendix I), covering both practical implementation models and the indicative funding arrangements for Phase 1 providers. Phase 1 providers are in the process of advising their flexibility models for agreement with the BRSI team.</p> <p>A meeting to address quality issues has been organised for the 21st September and a substantive agenda will be drafted. EYWG members and Phase 1 providers will be invited to this meeting.</p> <p>Members were also asked to encourage colleagues to respond to the SEYFF consultation document, as the number of replies currently returned is low.</p>	<p>SA/DL</p> <p>ALL</p>
5. Discussion items		
5.1	<p>LA draft response to DCSF EY Code of Practice consultation</p> <p>The draft LA response to the DCSF consultation on the EY Code of Practice was circulated, which will be submitted to the DCSF on 7th July 2009. Members were asked to submit any proposed amendments to the BRSI team by Friday 3rd July 2009 at the latest.</p> <p>Members commented that Barnet's local procedures document also needs to ensure consistency and transparency across all sectors, in areas such as the reduction of funding triggered by child absence. (Funding to PVI's is reduced if a child is absent for more than 2 weeks, schools' funding is not currently adjusted).</p>	<p>ALL</p> <p>ZP/SA</p>
5.2	<p>CB tabled a paper (Appendix II) identifying the main outstanding issues, including Top-Ups (charges for supplementary services); 38 week provision due to home visits/phased admissions; charges for extended services.</p> <p>The main topic areas discussed by members were home visits/phased admissions and meeting the requirements of the EY Code of Practice regarding Top-Ups.</p>	
5.3	<p>Home visits/phased admissions</p> <p>The DCSF has now determined that the pupil count must be carried out at the time of the termly school census, but states that where home visits/phased admissions are undertaken, the child's entitlement to 38 weeks free education must be considered by LAs.</p> <p>EYWG Maintained sector representatives expressed particular concerns regarding the impact of participation-led funding, particularly on those settings that operate home visits, phased admissions and offer an autumn and spring term intake.</p>	

5.4	<p>Top Ups EYWG members representing PVIs are concerned that full compliance with the revised EY Code of Practice in relation to charges for supplementary services will have significant impact on providers. There is concern that a two-tier system (NEF/non-NEF providers might develop as a result of this. However, EYWG members accepted that as the response rate to the provider cost survey was very low, an accurate typical cost model is not available to support and inform decisions on this issue.</p>	
5.5	<p>Providers commented that similar financial difficulties would also be encountered by some providers if children attend a setting for the maximum 12½ hours (rising to 15 hours) and parents do not take up additional chargeable services.</p>	
5.6	<p>Members commented that the DCSF seems unlikely to change direction, but felt that managing within the available funding is setting unrealistic expectations and may compromise the delivery of quality EY education. There are concerns that the PVI sector will become more regulated, and that this is one factor leading to disengagement. However, members acknowledged that this is not only a problem in Barnet as communications with colleagues elsewhere indicate a number of authorities are encountering similar difficulties.</p> <p>The views of members will be relayed to the Director of Children's Service.</p>	CB/SA
6. Any other business.		
6.1	None.	
Dates of future meetings		
	<p>3.00pm 30th September 2009 (Training Room 1)</p> <p>3.00pm 11th November 2009 (Training Room 2)</p>	

APPENDIX I

Operation Briefing Note Extending the Free Entitlement for 3 and 4 year olds

- A detailed project plan for increasing the free entitlement has been drawn up and circulated to members for information.
- Second round meetings with locality groups in phase 1 have taken place; recently an accredited childminder has joined the pilot.
- Issues raised at those meetings were collated and shared with the Finance Team. As a result a grid has been created identifying the main areas on which we need to focus.
- Providers are beginning to decide on their models of flexibility and forwarding them to us for funding decisions.
- Every one of the schools and settings in Phase 1 have agreed to be champions in Phase 2. This will be of enormous help in supporting the large number of providers involved in Phase 2. Once we have evaluated Phase 1 in the autumn term they will play a vital role in the planning and implementation of Phase 2.
- Applications for Early Years Capital projects from phase 1 will receive priority hearings.
- Geoff Boyd our government partner is very satisfied with Barnet's progress thus far.
- A meeting has been arranged for 21st September looking at maintaining quality while delivering the extension to the free entitlement. Diane Lewis and the Early Years consultants will be available to look at models of provision for individual providers. Geoff Boyd will also be available to take direct feedback on issues arising from this agenda. EYWG members and Phase 1 providers will be invited to this meeting.

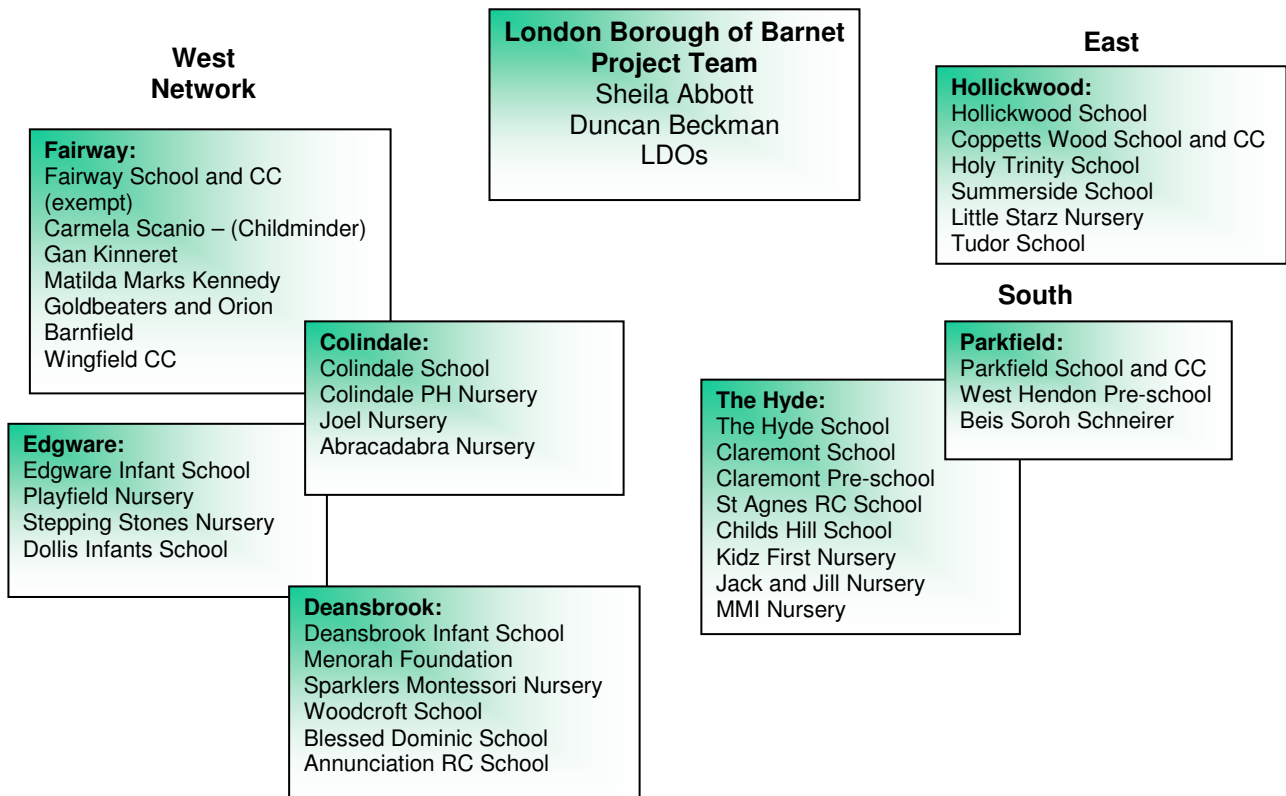
Sheila Abbott 01/07/2009

Funding Briefing Note

- Funding for Phase 1 providers has been agreed.
- Phase 1 providers have received early indications of funding allocations.
- The Single Early Years Funding Formula consultation document has been released, although interest has been low at present.
- The DCSF has now determined that the pupil count must be carried out at the time of the termly school census, but states that where home visits, phased admissions and a spring term intake operate, the child's entitlement to 38 weeks free education per year must be considered by LAs.
- A survey of EYWG members has been undertaken regarding home visits and phased admissions.
- Compared with other London authorities, Barnet's progress on the SEYFF is:
 - Well advanced
 - Has above average funding levels
 - Similar formula to others

Carol Beckman 01/07/2009

Phase 1 providers by Network



**Sample Phase 1 funding
(Maintained setting)**

**Indicative Additional Funding for Phase 1 Providers of the
Extension to the Free Entitlement: September
2009 - March 2010**

Issued 12-Jun-09

Phase 1 schools and settings will continue to be funded as before, but will receive additional funding as shown below. This funding statement is indicative and more accurate allocations will be released in September.

DCSF No./Setting URN **9999** **S**
A maintained nursery class

Estimated eligible pupils on roll	36
Average IDACI score (deprivation)	0.037
Proportion of whole year	0.583 (22.2 weeks)

	Annual Rate £	£ Funding
NEF Extension funding indication		
2.5 hrs extension per child	328.88	6,907
Basic Entitlement per child	99.10	0
Deprivation (based on IDACI score of 1)	685.71	535
Start-up/Pilot allocation (2009/10 only)	200.00	7,200
Total indicative additional funding		14,642

Plus, one of:-

Flexibility options		
Flexibility Level 0	0.00	0
Flexibility Level 1	51.43	1,080
Flexibility Level 2	102.86	2,160

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**Sample Phase 1 funding
(PVI setting)**

**Indicative Additional Funding for Phase 1 Providers of the
Extension to the Free Entitlement: September
2009 - March 2010**

Issued 12-Jun-09

Phase 1 schools and settings will continue to be funded as before, but will receive additional funding as shown below. This funding statement is indicative and more accurate allocations will be released in September.

DCSF No./Setting URN	123456	P
PVI		

Estimated eligible pupils on roll	19
Average IDACI score (deprivation)	0.064
Proportion of whole year	0.583 (22.2 weeks)

	Annual Rate £	£ Funding
NEF Extension funding indication		
2.5 hrs extension per child	340.86	3,778
Basic Entitlement per child	99.10	1,098
Deprivation (based on IDACI score of 1)	685.71	487
Start-up/Pilot allocation (2009/10 only)	200.00	3,800
Total indicative additional funding		9,164

Plus, one of:-

Flexibility options		
Flexibility Level 0	0.00	0
Flexibility Level 1	51.43	570
Flexibility Level 2	102.86	1,140

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APPENDIX II

Summary of Issues arising from the Extension of the Free Entitlement		Updated 22 June 09
Issue	Description	Comment
Top-ups	Some settings require parents to take up a session longer than 2½ hours	Parents should be able to take up the free entitlement without taking up additional childcare.
	Some settings show the value of the free entitlement as a discount on the invoice - which may mean the hourly rate for additional hours is higher than for those not taking up the free entitlement.	We would prefer settings to show the total hours attended with the number which are free and the number which are charged for at published rates.
	Some settings charge the full fees in advance and refund the value of the free entitlement later in the term	In the new formula the LA will provide settings with funding at the beginning of term, so this should no longer be necessary.
	Some settings provide additional services - eg better adult:child ratios, faith studies, security, etc	It should either be optional to take up additional services or the contribution should be voluntary.
	Our cost survey was unsuccessful due to low response rate	We were not able to compile a typical cost model to test against the funding formula
	Some private settings fear that they will suffer financially if top-ups are no longer allowed	The fee rate for 2-3 year olds is usually the same as for 3-4 year olds even though the staff costs are double.
Funding Formula	Funding formula not yet finalised - currently out for consultation. Details of how the termly adjustments will be calculated need to be agreed	Policies and procedures document will need to be updated for new funding formula.
		Timetable set up for agreement of the funding formula.
	Low response rate as yet - only about 30% have downloaded the questionnaire	Have they put it off until later?
		Reminder in School Circular and Fyi News Other measures needed?
Flexibility	Settings concerned that increased flexibility will impact on quality, the number of children they can take and staff contracts	Flexibility should reflect parental demand - settings are expected to survey parental demand.
		Flexibility funding to incentivise increasing flexibility
		Advisers will continue to monitor EYFS and quality Workshop planned for 21 September for Phase 1 practitioners to discuss their experiences.
38 week provision	Some schools and settings are not open for 38 weeks and some may be closed for home visits or operate phased admissions. This means the child cannot access the full 38 weeks and in the maintained sector funding will be reduced.	Possible additional funding element to allow for home visits and phased admissions
		Tracking system will continue to monitor how many weeks each child takes up.
Extended Services	Some maintained schools are planning to provide paid childcare either in the afternoon as an extended service or to fill vacant places.	Parents must be able to take up the free entitlement without taking up extended services
		Provision of paid childcare to fill up vacant places should not prevent the school taking in casual admissions up to the published admission number.

Extension to the Free Entitlement for 3 & 4 Year Olds Top-Up Charges

The DCSF Code of Practice¹ states that:

- parents cannot be charged for any part of the minimum free entitlement either directly or indirectly
- the free entitlement is a guarantee of a free place, not a parental subsidy
- parents should not be required or expected to take up additional services in order to access a free place
- providers may not charge parents fees in advance for the free entitlement to be refunded at a later date

The latest consultation does not indicate that these rules are to be relaxed and in fact emphasises that the free entitlement must be completely free at the point of access. Local authorities are not obliged to follow the guidance but should only depart from it if they have good reason.

The local authority endeavours to:

- meet the code of practise
- ensure equality of opportunity for all parents in Barnet
- ensure sufficiency of high quality childcare at a diverse range of providers in accordance with parental demand
- work within the constraints of available funding

However we are aware that some settings currently

1. require parents to take up additional hours beyond the 2½ hours per day of the free entitlement.
2. charge a higher rate for additional hours, e.g. a morning session of 3 hours could be advertised at £15, i.e. £5 per hour. However the parent taking up the free entitlement of 2½ hours would be charged £15 minus £8.97= £6.03 for the last half an hour (equivalent to an hourly rate of £12.06). Although this is an extreme example similar schemes are applied on a daily, weekly, monthly or termly basis. We would prefer that the invoice should show the hours attended, the hours of the free entitlement, and the hours charged for at standard rates – rather than the amount of the free entitlement as a discount to the total bill.
3. collect the full term's fees in advance and then issue a refund after half-term once the funding has been received from the LA.

We are also aware that some settings feel the level of local authority funding does not cover the cost of provision and that is the reason they charge a top-up. On the other hand a recent informal survey of 19 London local authorities found that Barnet has a slightly higher than average NEF rate.

The new funding formula will increase funding to private providers by recognising deprivation, leader qualifications and levels of flexibility offered on top of the basic funding per child. This means that there will no longer been a standard funding rate

¹ http://www.surestart.gov.uk/_doc/P0002205.pdf

for all and providers will find it more difficult to identify exactly how much discount or refund to give to parents.

Proposals

We wish to resolve the issue of top-ups in the fairest way possible and in full consultation with interested parties. The Phase 1 providers are in a good position to lead the way on this as champions of the extension to the free entitlement.

The DCSF has emphasised the importance of having a good typical cost model based on the information gathered in the cost survey. Barnet, like many other authorities, had a very low response and therefore has no workable typical cost model. Attendance at the Learning Network meetings was noticed to increase when finance is on the agenda, but, disappointingly, this has not been reflected in the level of response to the consultation currently running. We could re-run the cost survey in an amended form if we felt there was some way of improving the engagement of providers – both maintained and private.

We would like to consider the following options for all Phase 1 providers:

- help all providers to return a full cost analysis as a condition of receiving their Startup grant
- advise all providers to ensure their invoices show the number of hours of the free entitlement separately from the number of chargeable hours
- ensure providers' documentation makes it clear that parents are not required to take up additional childcare or services as a condition of a place.
- work with providers to review their fee structures, considering for example
 - A differential rate for parents wishing to take up less than (say) 10 hours per week paid childcare
 - Differential rates for babies, 2-3 year olds and 3 & 4 year olds
- working with providers to identify how they use additional elements from the new funding formula and other grants from the LA such as inclusion, graduate leader fund and training cover.

We also wish to

- discuss with the EYWG how we can increase engagement in consultation from the private sector
- discuss with the EYWG how we can collect meaningful cost data
- agree what level of provision the LA should support, e.g.
 - phased admissions over periods of more than two weeks
 - staff ratios of better than 1:8
 - staff ratios of better than 1:13 if a QTS is in the room

The EYWG is asked to discuss these proposals and any others that colleagues may propose in order to help all providers meet the requirements of the DCSF 'Code of Practice'.

Carol Beckman and Sheila Abbott
1 July 2009